

NEWS RELEASE



STATE OF ALABAMA
Department of
Industrial Relations
News For Immediate Release
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TAX CREDITS EXTENDED FOR 24 MONTHS

MONTGOMERY, ALABAMA, October 7, 2004 President George W. Bush signed the "Working Families Tax Relief Act of 2004" on October 4, which includes a 24-month extension for the Work Opportunity Tax Credit (WOTC) and the Welfare-to-Work (WtW) tax credit through December 31, 2005.

Since they were first offered in 1996, the tax credits have saved Alabama employers a total of nearly \$90 million. The last time the credits were extended was in March 2002.

"The latest extensions are retroactive to the credits' expiration date of December 31, 2003 for employers who file on a timely basis," says Phyllis Kennedy, director of the Alabama Department of Industrial Relations.

WOTC offers employers an opportunity to reduce their federal tax liability by hiring individuals who are members of certain targeted groups. The maximum tax credit paid to the employer is equal to 40 percent of the first \$6,000 in qualified wages paid to each eligible employee.

The WtW tax credit encourages businesses to hire and retain long-term family assistance recipients. A qualified employer may claim a two-year credit of up to \$8,500 per eligible employee.

For additional tax credit information, contact: WOTC Unit, Employment Service Division, Department of Industrial Relations, 649 Monroe St., Montgomery, AL 36131; 334/353-8030. Information is also available through the Internet at:

<http://www.uses.doleta.gov/updates.asp>.

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Industrial Relations is an umbrella organization of State government which administers: the State Employment Service, Unemployment Insurance, Workers' Compensation, and Labor Market Information. Smaller programs also administered include Abandoned Mine Land Reclamation, Mine Safety and Inspection, and Surface Mining of Non-Fuel Minerals. For more information on Industrial Relations, visit the Web site: <http://dir.alabama.gov/>.